Knoxville RLF Loan-Risk rating Matrix (New Business)

RLF Applicant: Reviewer: Review Date:

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  | And/Or | |  |  |
| Rating | Potential Impact on Society? | Management Experience | Physical and / or digital footprint | Stability of Industry | Percent of Project Revolving Loan Fund will Finance | Collateral Position or Loan Guarantees Available? | Projected Debt Coverage?  (3 year min) | Potential FTE Jobs Created or Retained?  (3 year min) | Tax Increase | Loan Guarantors’’ Average FICO Credit Score? | Total Rating |
| Very Strong  5 | Life-Changing Impact on Millions | Strong Management Expertise & Key-Position Depth | Regionally (Midwest) | Very Stable Future | 1-10% | Pledgeable Assets 3X Loan Balance | Net Cash Flow 3X RLF Loan Payment | 15  > 15 | 10% + increase | >750 |  |
| Strong  4 | Life-Changing Impact on Thousands | Satisfactory Management Expertise & Key-Position Depth | New site in area (Iowa) | Stable Future | 11-20% | Pledgeable Assets 2X Loan Balance | Net Cash Flow 2X RLF Loan Payments | 11 – 14.9 | 7-9% | 690 to 749 |  |
| Fair  3 | Life-Changing Impact on Hundreds | Satisfactory Management Expertise but Limited Key-Position Depth | On-site growth | Modest Future Stability | 21-30% | Pledgeable Assests 1X Loan Balance + Strong Investor Guarantees | Net Cash Flow 1X RLF Loan Payments | 7 – 10.9 | 4-6% | 630 to 689 |  |
| Somewhat  Weak  2 | Minimal Life-Changing Impact Anticipated | Minimal Management Expertise & Minimal Key-Position Depth | Questionable potential for growth | Unlikely Future Stability | 31-40% | Limited to Second UCC Position + Fair to Strong Investor Guarantees | Net Cash Flow Will Cover RLF Loan Payments is Most Years | 3 – 6.9 | 1-3% | 600 to 629 |  |
| Very Weak  1 | No-Life Changing Impact Anticpated | No Industry or Management Expertise | No growth plan | Current Instability | >41-50% | No Assets Available to Pledge + Weak Investor Guarantees | Net Cash Flow Will Not Cover RLF Loan Payments in Any Year | < 3 | 0% | <600 |  |

**GRAND TOTAL**out of 45 or 50